LONE STAR
GROUNDWATER CONSERVATION DISTRICT

August 13, 2024

MINUTES OF PUBLIC HEARING ON PERMIT APPLICATIONS

The Board of Directors of the Lone Star Groundwater Conservation District ("District") met in regular session, open to the public and held in person in the Lone Star GCD – James B. "Jim" Wesley Board Room located at 655 Conroe Park North Drive, Conroe, Texas, and remotely via the publicly accessible webinar/telephone conference call within the boundaries of the District on August 13, 2024.

CALL TO ORDER:

President Spigener called to order the Public Hearing on Permit Applications at 6:00 PM announcing the meeting open to the public.

ROLL CALL:

The roll was called of the members of the Board of Directors, to wit:

Jim Spigener
Janice Thigpen
Jonathan Prykryl
Jon Paul Bouché
Kenneth Earnest (*Virtual*)
Gary Dent

Six members of the Board were present, thus constituting a quorum of the Board of Directors. In attendance at said meeting were Sarah Kouba, General Manager; Tiffany White, Director of Operations; Kirstin Hein, Permitting Director; Justin Saenz, Education & Conservation Coordinator; Stacey Reese, District Counsel *(virtual)*; Chris Drabek, District Technical Consultant, *(virtual)* Mike Keester, District Technical Consultant, *(virtual)*; and members of the public. *Copies of the public sign-in sheets and comment cards received are attached hereto as Exhibit "A".*

Director Bouché led the prayer and Treasurer Prykryl lead the United States and Texas pledges.

PUBLIC COMMENTS:

No comments were received.

DISCUSSION, CONSIDERATION, AND POSSIBLE ACTION ON THE FOLLOWING OPERATING PERMITS and/or EXEMPTIONS:

Ms. Kouba provided an overview of the 8 applications listed. Applications numbered 1-6 included applications that have been reviewed by District Staff and are considered administratively complete. No hydrogeological reports were required for those applications and they comply with the District's Spacing Rules. The General Manager reviewed the applications, and she recommended that the Board grant those which is requested for applications 1 - 6.

Ms. Kouba provided an overview of application number 1 – Royal Aesthetics Laser Clinic & Wellness Retreat, LLC. Ms. Kouba provided a summary and her recommendation for the Board's consideration of the permit or permit conditions upon approval.

Ms. Kouba provided an overview of application numbered 2 – La Estrella Celeste. Ms. Kouba provided a summary and her recommendation for the Board's consideration of the permit or permit conditions upon approval.

Ms. Kouba provided an overview of application number 3 – The Magnolia Woods Assisted Living LLC. Ms. Kouba provided a summary and her recommendation for the Board's consideration of the permit or permit conditions upon approval.

Ms. Kouba provided an overview of application numbered 4 – Chaparral RE Inc. Ms. Kouba provided a summary and her recommendation for the Board's consideration of the permit or permit conditions upon approval.

Ms. Kouba provided an overview of application number 5 – Conroe 1485, LLC. Ms. Kouba provided a summary and her recommendation for the Board's consideration of the permit or permit conditions upon approval.

Ms. Kouba provided an overview of application numbered 6 –Knapheide Houston, LLC. Ms. Kouba provided a summary and her recommendation for the Board's consideration of the permit or permit conditions upon approval.

Director Bouché moved to approve that which is requested for applications 1 - 6. Director Dent seconded the motion. President Spigener called for a voice vote. Motion passed.

Ms. Kouba provided an overview of application numbered 7 – City of Magnolia. Due to a request for spacing exception from 11 wells within the required spacing as determined under District Rule 3.3 and the volume of water requested, Ms. Kouba requested the Board's consideration of the permit and permit conditions upon approval. A hydrogeological Report was submitted with the application.

Treasurer Prykryl moved to approve that which is requested for application 7. Secretary Thigpen seconded the motion. President Spigener called for a voice vote. Motion passed.

Ms. Kouba provided an overview of application numbered 8 Ma Natividad Gomez. This is an exempt well being brought to the Board for requesting a spacing exception. Ms. Kouba requested the Board's consideration of the permit or permit conditions upon approval.

Treasurer Prykryl moved to approve that which is requested for application numbered 8 and Director Dent seconded. President Spigener called for a voice vote. Motion passed.

ADJOURN:

Secretary Thigpen moved to adjourn the August 13th, 2024, Public Hearing on Permit Applications and Treasurer Prykryl seconded the motion. Motion passed. The meeting was adjourned at 6:17 pm.

PASSED, APPROVED, AND ADOPTED THIS 10th DAY OF SEPTEMBER 2024.

Janice Thigpen, Board Secretary

LONE STAR
GROUNDWATER CONSERVATION DISTRICT

August 13, 2024

MINUTES OF REGULAR MEETING

The Board of Directors of the Lone Star Groundwater Conservation District ("District") met in regular session, open to the public and held in person in the Lone Star GCD – James B. "Jim" Wesley Board Room located at 655 Conroe Park North Drive, Conroe, Texas, and remotely via the publicly accessible webinar/telephone conference call within the boundaries of the District on August 13, 2024.

CALL TO ORDER:

President Spigener presided and called to order the regular Board of Directors meeting at 6:18 PM, announcing that it was open to the public.

ROLL CALL:

The roll was called of the members of the Board of Directors, to wit:

Jim Spigener
Jonathan Prykryl
Janice Thigpen
Jon Paul Bouché
Kenneth Ernest (*Virtual)*
Garry Dent

Six members of the Board were present, thus constituting a quorum of the Board of Directors. In attendance at said meeting were Sarah Kouba, General Manager; Tiffany White, Director of Operations; Kirstin Hein, Permitting Director; Justin Saenz, Education & Conservation Coordinator; Stacey V. Reese, District Counsel *(virtual)*, Mike Keester, District Technical Consultant *(virtual)*; Chris Drabek, District Technical Consultant *(virtual);* and members of the public. *Copies of the public sign-in sheets and comment cards received are attached hereto as Exhibit "A".*

PUBLIC COMMENTS:
No public comments were received.

APPROVAL OF THE MINUTES:

President Spigener stated the Board would consider the meeting minutes as listed for approval on the agenda. Without further discussion, Director Dent moved to accept the minutes as presented, and Treasure Prykryl seconded the motion. President Spigener called for a voice

vote. Motion passed to approve the meeting minutes as presented.

- July 23, 2024, Public Hearing on Permit and Permit Amendment Applications
- July 23, 2024, Regular Meeting of the Board of Directors

COMMITTEE REPORTS:

A. Executive Committee

1) Brief the Board on the Committee's activities since the last regular board meeting. President Spigener reported that the Executive Committee has not met since the last meeting.

B. Budget & Finance Committee

1) Brief the Board on the Committee's activities since the last regular board meeting. Treasure Prykryl reported that the Budget Committee had not met and no updates since the last Board of Directors meeting.

2) Review of unaudited financials for the month of July 2024
Ms. Kouba presented the financial review for July 2024. The income for the month was $342,257.36, with expenses totaling $229,193.90, resulting in a net income of $133,063.46. Balance as of July 31, 2024, in Money Market is $5,667,216.30, Balance as of July 31, 2024, in Operating $176,934.85, Balance as of July 31,2024, in Tex Pool is $51,517.65. Additionally the total Checking and Savings as of July 31, 2024, was $5,895,668.80.

3) Resolution 24-005. Ms. Kouba presented Resolution 24-005 to Establish the Water Use Fee Rate for 2025. There are no proposed changes to the Water Use Fee Schedule for 2025. Treasure Prykryl made the motion to approve Resolution 24-005, Director Bouché seconded the motion. President Spigener called for discussion, Director Dent made the note that the resolution should be revised to ensure that the references are consistent in the document. President Spigener asked for a voice vote. Motion passed.

C. External Affairs Committee

1) Brief the Board on the Committee's activities since the last regular Board meeting President Spigener reported the committee has met on weekly regarding public relations. Working on external processes and materials for public education. President Spigener mentioned a review of a letter received by Senator Perry challenging the participation of voting members in GMA 14. There are 20 counties in GMA 14 and 12 counties represented by 5 GCD who are voting members and other counties are not voting members. The letter was challenging if those non-voting members should participate. Ms. Kouba provided an update that the District is working on the website, public information and FAQ for the county.

D) DFC & Technical Committee

1) Brief the Board on the Committee's activities since the last regular Board meeting.
Ms. Kouba provided a report of the ongoing weekly DFC and Technical Committee meetings. No major updates on Site 1 as samples are still being processed at the lab. Ms. Kouba highlighted the study is a first of the kind study for compaction in the Jasper in Montgomery County.

2) Technical Consultants Update – Receive updates from Technical Consultants on ongoing projects and development of desired future conditions in GMA 14.
Mr. Keester updated the Board that they are continuing to work on Site 1 and the model update is on track with deadlines.

3) Groundwater Management Area 14 Update – update the Board on the Issues related to joint planning activities and development of desired future conditions in GMA 14.
Ms. Kouba provided the update from Groundwater Management Area 14, the next GMA 14 meeting will be held at the Lone Star GCD office on August 29th at 11:00am.

E) Rules, Bylaws & Policies Committee

1) Brief the Board on the Committee's activities since the last regular Board meeting
President Spigener reported the District is internally working on potential rule revisions and getting to the point of the stakeholder meeting.

BRIEF THE BOARD CONCERNING A PETITION FILE WITH THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY.

President Spigener provided an update of a petition that was submitted to TCEQ on the District's rules. Ms. Reese provided an update that the District filed a response in July for the petition and that the District received several responses from TCEQ departments that recommend that the petition should be dismissed including from OPEC and the General Manager. The TCEQ will be holding a commission hearing on the 28th of August in Austin. Interested persons can attend either in person or virtually. Ms. Reese provided that there should be an update on the petition by the next Board Meeting.

DISCUSSION AND POSSIBLE ACTION TO ISSUE A SHOW CAUSE ORDER DIRECTING THE FOLLOWING PERMITTEES, OR THEIR DESIGNATED REPRESENTATIVE.

Ms. Kouba requested that the Board issue a show cause order for the permittees listed in Attachment A. Treasure Prykryl moved to issue a show cause order for the permittees listed in Attachment A, Director Bouché seconded the motion, no discussion, President Spigener called for a voice vote, motion passed.

DISCUSSION AND POSSIBLE ACTION TO ISSUE A SHOW CAUSE ORDER DIRECTING THE FOLLOWING PERMITTEES OR THEIR DESIGNATED REPRESENTATIVES FOR OVERPRODUCTION.

Ms. Kouba requested the Board issue a show cause order for the permittees listed in Attachment B. Director Bouché moved to issue a show cause order for the permittees listed in Attachment B, Treasurer Prykryl seconded the motion, no discussion, President Spigener called for a voice vote, motion passed.

DISCUSSION AND POSSIBLE ACTION TO ISSUE A SHOW CAUSE ORDER DIRECTING THE FOLLOWING PERMITTEES OR THEIR DESIGNATED REPRESENTATIVE FOR FAILURE TO MAKE PAYMENT FOR 2024.

Ms. Kouba requested the Board issue a show cause order for the permittees listed in Attachment C. Treasurer Prykryl moved to issue a show cause order for the permittees listed in Attachment C, Director Dent seconded the motion, no discussion, President Spigener called for a voice vote, motion passed.

GENERAL MANAGER'S REPORT:

Ms. Kouba provided operational updates, including election process updates for Place 1 (precinct 1), Place 5 (At Large) and Place 6 (City of Conroe). Place 7 (The Woodlands) is a special election, progress on enforcement, permit audits, system efficiencies within the District, application updates, and database upgrades. The District is expected to update the website and the application before the end of the year. As mentioned, GMA 14 meeting will be here on August 29th. Subsidence Study Phase 3. Ms. Kouba also mentioned that she would like to reach out to several realtor agencies to address gaps in the process and permitting. No action is required currently just looking into research at this time. Secretary Thigpen spoke to the president of HAR on creation of documents to assist with the process.

Ms. Kouba provided updates to the Board on previous and upcoming meetings.

Ms. Kouba provided an update that they are close to wrapping up inspections for the calendar year and provided recognition to the Field Team for completing this process.

GENERAL COUNSEL'S REPORT:

Ms. Reese stated that she had no updates for the Board.

EXECUTIVE SESSION:

The Board recessed at 6:47 PM into a closed Executive Session pursuant to Texas Government Code, Sections 551.074 to discuss personnel matters and annual review of the General Manager, and 551.071 to consult with the District's attorney regarding pending or

contemplated litigation, settlement offers, or on matters in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act, Chapter 551, Government Code regarding any agenda item on any of the Board meetings or hearing posted for today.

RECONVENE IN OPEN SESSION:

Following Executive Session, the Board reconvened in Open Session and President Spigener declared it open to the public at 7:43 PM

NEW BUSINESS:

No new business

ADJOURN:

There being no further business Treasurer Prykryl moved to adjourn the meeting and Director Dent seconded the motion. President Spigener called for a voice vote, motion passed, The meeting was adjourned at 7:44 PM.

PASSED, APPROVED, AND ADOPTED THIS 10th DAY OF September 2024.

Janice Thigpen, Board Secretary

Exhibit A

SIGN IN SHEET

September 10, 2024
Board Meeting

Do you wish to speak on an agenda item?	NAME	CITY, STATE, ZIP	E-Mail
No	Joe Atkinson	SMCMUD	
No	Kim Wright	Spring Tx 77386	
no	Chris Oliver	Montgomery TX 7735[illegible]	
No	Lesley Reel	Chateau Woods MUD	
No	Debi Hauck	Conroe TX 77385	
~~Yes~~ No	John Wertz	Woodlands, Tx 77382	